

## Message Text

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17

ACTION NEA-10

INFO OCT-01 AF-06 ARA-10 EUR-12 EA-10 ISO-00 ERDA-07

AID-05 CEA-01 CIAE-00 CIEP-02 COME-00 DODE-00 EB-07

FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01

PM-03 USIA-15 SAM-01 OES-05 SP-02 SS-15 STR-04

TRSE-00 FRB-01 FEA-01 PA-02 PRS-01 IO-10 /155 W

----- 007777

R 010830Z JUL 75

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 3281

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY BEIRUT

AMEMBASSY CARACAS

AMEMBASSY DOHA

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY LAGOS

AMEMBASSY LIBERVILLE

AMEMBASSY LONDON

AMEMBASSY QUITO

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

USMISSION OECD PARIS

USMISSION EC BRUSSELS

USINT BAGHDAD

UNCLAS KUWAIT 2782

E.O. 11652: NA

TAGS: ENRG, KU

SUBJ: KAZEMI TO OUTLINE FIVE-POINT OIL POLICY

1. OIL MINISTER KAZEMI WILL GO BEFORE NATIONAL ASSEMBLY TODAY

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(JULY 1) TO DELIVER MUCH AWAITED STATEMENT ON GOK OIL POLICY.

KUWAIT TIMES, WHICH CLAIMS TO HAVE OBTAINED COPY OF HIS SPEECH, HAS REPORTED THAT BASIC NEW OIL POLICY RESTS ON FIVE MAJOR POINTS.

2. FIRST POINT IS THAT KUWAIT OIL PRODUCTION MUST BE KEPT FLEXIBLE. NO CEILING OR FLOOR LIMITS SHOULD BE PLACED ON COUNTRY'S OIL PRODUCTION. KAZEMI WILL URGE THAT PRODUCTION POLICY BE FLEXIBLE ENOUGH NOT ONLY TO MEET INTERNAL AND NATIONAL COMMITMENTS BUT ALSO TO FACE RAPIDLY CHANGING WORLD CIRCUMSTANCES.

3. SECOND POINT STRESSED BY STATEMENT IS THAT OIL MUST BE CONSERVED. STATEMENT REAFFIRMS WELL-KNOWN KUWAITI VIEW THAT OIL IN THE GROUND IS THE SAFEST LONG TERM INVESTMENT, PARTICULARLY AS LONG AS WORLD INFLATION REMAINS MAJOR PROBLEM. BUT STATEMENT WARNS THAT CONSERVATION MUST NOT NEGATIVELY AFFECT KUWAIT'S COMMITMENTS TO WORLD CIVILIZATION AND CONSUMER REQUIREMENTS.

4. THIRD BASIC POLICY CALLED FOR INCREASED EXPORT OF REFINED OIL. KAZEMI WILL PUBLICLY ANNOUNCE THAT THIRD LARGE REFINERY, IN ADDITION TO EXISTING KOC AND KNPC REFINERIES, BEING PLANNED.

5. FOURTH POINT AFFIRMS FACT THAT GOK HAS TAKEN COMPLETE CONTROL OF OIL POLICY. KAZEMI WILL STRESS THAT GOK DICTATES PRICE OF OIL ACCORDING TO OPEC DECISIONS. HE IS EXPECTED TO REFER ONLY GENERALLY TO CURRENT KOC TAKE-OVER TALKS, AND NOT GET INTO DETAILS OF NEGOTIATIONS.

6. FINAL POINT KAZEMI WILL MAKE IS THAT APPARATUS FOR FULLY STATE-OWNED OIL INDUSTRY HAS BEEN APPROVED. THIS POINT REFERS TO GOK TAKE-OVER OF PRIVATELY HELD KNPC SHARES AND DEMISE OF KOGEC. KAZEMI WILL NOTE THAT A NEW COMMITTEE MADE UP OF HEADS OF OIL-BASED INDUSTRIES BEING FORMED, AND THAT KNPC WILL HAVE KEY ROLE IN INTERNATIONAL MARKETING.

7. COMMENT: IF KUWAIT TIMES STORY IS CORRECT, AND WE THINK IT PROBABLY IS, KAZEMI STATEMENT BEFORE PARLIAMENT TODAY WILL BE THE FIRST COMPREHENSIVE AND OFFICIAL STATEMENT OF GOK OIL POLICY THAT HAS BEEN MADE IN RECENT YEARS. AS DEPARTMENT AWARE EMBASSY HAS BEEN REPORTING PERIODICALLY ON ALL OF THE UNCLASSIFIED

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POINTS MENTIONED BY KAZEMI, BUT NOT ALL THE POINTS HAD BEEN KNOWN GENERALLY TO THE PUBLIC.

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, PETROLEUM INDUSTRY, PETROLEUM PRODUCTION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 01 JUL 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Status:** NATIVE  
**Subject:** KAZEMI TO OUTLINE FIVE-POINT OIL POLICY  
**TAGS:** ENRG, KU, (KAZEMI, ABD AL-MUTTALEB)  
**To:** STATE  
**Type:** TE  
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